



Irish Life Weekly Investment Bulletin

The week that was – WEEK 05 (ending 03/02/2017)

“Where all think alike, no one thinks very much.” - Walter Lippman

Irish Live Register hits 2008 low – Figures from the Central Statistics Office show that on a seasonally adjusted basis the Live Register total recorded a monthly decrease of 3,300 (-1.2%) in December 2016, reducing the seasonally adjusted total to 282,400, the lowest number recorded since November 2008.

Eurozone growth higher than U.S. for first time since 2008 – According to latest statistics from Eurostat, GDP in the group of 19 Eurozone countries increased by 1.7% in 2016 while U.S. GDP was reported at 1.6% by the Bureau of economic analysis. The last time growth was lower in U.S. was in 2008 (minus 0.3% V 0.4%).

Global stock market down 0.3% on the week – The MSCI AC World TR Index had a -0.28% return from 27th January to 3rd February as the U.K. parliament voted overwhelmingly in favor of advancing the bill to begin the Brexit negotiation process. Volatility, as measured by the VIX, rose slightly to 11.25 from 10.8 during the week.

Fed and BOE leave interest rate policy unchanged – The U.S. Federal Reserve left monetary policy unchanged at its first meeting of 2017. The Bank of England's monetary policy meeting also decided to maintain key interest rate at 0.25% as well as keeping asset and corporate bond purchases at same level.

U.S. payrolls slow but wage growth rises – Latest data from the Labor Department show nonfarm payrolls rose a seasonally adjusted 156,000 in December from November, a slowdown from previous month. Wages increased 2.9% in December from a year earlier, the best annual rate since 2009, with unemployment at 4.7%.

Global manufacturing upswing continues – Purchasing managers' indices showed continued improvement in global manufacturing with the U.S., the U.K., Japan, China and the eurozone all reporting solid manufacturing sentiment in January. The exception was in the service-sector where sentiment reduced.

The Story of the week: A 69-year-old man from Ormond Beach in Florida told police deputies that a cat “looked at him like he owned the place,” before relieving itself on his property, so he shot it with a BB gun. The man, who was not identified, could face charges for animal cruelty. The cat, owned by 60-year-old neighbour Hung Nguyen, later had to be put down as a result of its injuries. The shooter described his actions as a “poor judgment call,” and claimed he didn't realise it was somebody's pet. He also admitted he had shot at cats before, but had previously always missed.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 03/02)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	0.0
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	0.7
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	-0.3
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	2.8
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	5.3
Nikkei 225	22.9	56.7	7.1	9.1	0.4	-1.0
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	4.2
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	2.3
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.5
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	1.2
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	7.4
Portugal	6.9	6.1	2.7	2.5	3.8	4.2
Spain	5.4	4.1	1.6	1.7	1.4	1.7
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	0.75
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/€)	1.31	1.37	1.21	1.09	1.04	1.07
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.86
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.24
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance